

**REMARKS**

By this Amendment, claims 1-15, 17, 18, 20-40, 42, 44, 51, 54, 55, 60, 65-70, 72, 75-81, 83, 84, 86, 87, 93-95 have been amended and claims 96-103 have been added to more particularly point out and distinctly claim the invention. Claims 31-34 have been deleted. These changes are not necessitated by the prior art, are unrelated to the patentability of the invention over the prior art, and do not introduce any new matter.

**CONCLUSION**

Wherefore, in view of the foregoing amendments and remarks, this application is considered to be in condition for allowance, and an early reconsideration and a Notice of Allowance are earnestly solicited.

This Amendment increases the number of independent claims by 1 to 11 from 10 independent claims and increases the total number of claims by 4 to 99 from 95, but does not present any multiple dependency claims. Accordingly, a Response Transmittal and Fee Authorization form authorizing the amount of \$156.00 to be charged to Sidley Austin Brown & Wood LLP's Deposit Account No. 18-1260 is enclosed herewith in duplicate. However, if the Response Transmittal and Fee Authorization form is missing, insufficient, or otherwise inadequate, or if a fee, other than the issue fee, is required during the pendency of this application, please charge such fee to Sidley Austin Brown & Wood LLP's Deposit Account No. 18-1260.

Any fee required by this document other than the issue fee, and not submitted herewith should be charged to Sidley Austin Brown & Wood LLP's Deposit Account No. 18-1260. Any refund should be credited to the same account.

If an extension of time is required to enable this document to be timely filed and there is no separate Petition for Extension of Time filed herewith, this document is to be construed as also constituting a Petition for Extension of Time Under 37 C.F.R. § 1.136(a) for a period of time sufficient to enable this document to be timely filed.

COPY OF PAPERS  
ORIGINALLY FILEDIN THE SPECIFICATION:

Delete paragraph [0003] page 2, and ending at page 2, and replace with the following:

[0003] General George Patton is reputed to have once said, "Take calculated risks. That is quite different from being rash." General Patton's attitudes about risk had far-reaching implications indeed, in that the decisions he made and the risks he took sometimes cost the lives of men in battle. But the notion of calculated risk goes well beyond warfare; it is a process that we all engage in as we make the daily decisions that define our lives. And the fact remains that most of the risks—economic and otherwise—that individuals face in their lives are not shared by society. As inefficient and insecure as it may seem, ~~we~~we allow our standards of living to be determined substantially by a game of ~~chance~~chance."

Delete paragraph [0004] beginning at page 2, and ending at page 2, and replace with the following:

[0004] Over the years a number of instruments have emerged that enable people to "hedge their bets" in the face of risk. Insurance, in its many forms, is the classic example of a hedge instrument. So too, is the futures market for hedging the price of commodities. In fact, a futures market can exist for anything, functioning as a market where bets can be placed on the course of the price or index that defines that market. Hedging in any market—whether it be commodities, real estate, or anything with any kind of economic consequences—is essentially the same as buying insurance against price ~~declines~~ changes.

Delete paragraph [0100] beginning at page 27, and ending at page 27, and replace with the following:

[0100] However, with hedging, after the earnings announcement, Pete's portfolio net the \$25,000 upfront payment would be:

Initial Value Of Pete's Portfolio	Upfront Payment For B & C Contracts	Change In <del>Home</del> Value	Payoff Of Contract Portfolio	Net Final Value Of Pete's Portfolio
100,000	-25,000	+25,000	0	100,000
100,000	-25,000	-5,000	+30,000	100,000
100,000	-25,000	-15,000	+40,000	100,000

Delete paragraph [0109] at page 28, and ending at page 29, and replace with the following:

[0109] Consider a small company, Sysco. Suppose Sysco is a supplier of operating hardware to AOL's network headquarters in Virginia. In fact, AOL is Sysco's single largest customer. When AOL's business booms, AOL will order more hardware from Sysco. In slower times, AOL will reduce its orders. In either case, Sysco believes AOL's quarterly earnings announcements reflect how well AOL is doing and, accordingly, how much AOL will expand or reduce needs for Sysco's products. In particular, Sysco believes the ~~NPV~~ net present value (NPV) of its AOL business, if unhedged, would change by:

- (a) \$1,250,000 if 1st Qtr earnings exceeds \$0.41 cents;
- (b) \$950,000 if 1st Qtr earnings falls within \$0.39-\$0.41 range;
- (c) \$850,000 if 1st Qtr earnings misses the \$0.39 expectations threshold.

Delete paragraph [0111] beginning at page 29, and ending at page 29, and replace with the following:

[0111] To put some numbers on the consequences of Sysco's hedging position, suppose, for instance, the market believes AOL has a 25% chance of beating expectations, a 50% chance of meeting expectations, and a 25% chance of falling short of expectations. Then Sysco would pay \$150,000 ( $= 30000 \times \$10 \times .50$ ) for ~~3000~~ 30000 type B contracts, and \$100,000 ( $= 40000 \times \$10 \times .25$ ) for 40000 type C contracts—for a total upfront payment of \$250,000.

Delete paragraph [0113] beginning at page 29, and ending at page 29, and replace with the following:

[0113] With hedging, after the earnings announcement, Sysco's portfolio net the \$250,000 upfront payment would be:

Initial Value Of Sysco's Portfolio	Upfront Payment For B & C Contracts	Change In <del>Home</del> Value	Payoff Of Contract Portfolio	Net Final Value Of Sysco's Portfolio
1,000,000	-250,000	+250,000	0	1,000,000
1,000,000	-250,000	-50,000	+300,000	1,000,000
1,000,000	-250,000	-150,000	+400,000	1,000,000

Delete paragraph [0119] beginning at page 32, and ending at page 32, and replace with the following:

[0119] To put some numbers on the consequences of Widco's hedging position, suppose, for instance, the market believes there is a 35% chance of a 50 basis point decrease, 40% chance of a 25 basis point decrease, and a 19% chance of no change, a 5% chance of a 25 basis point increase, and a 1% chance of a 50 basis point increase. Then Widco would pay \$10,000 ( $= 2500 \times \$10 \times .40$ ) for 2500 type B contracts; \$9500 ( $= 5000 \times \$10 \times .19$ ) for 5000 type C contracts; \$3750 ( $= 7500 \times \$10 \times .05$ ) for 7500 type D contracts; and \$1000 ( $= 10,000 \times \$10 \times .01$ ) for 10000 type E contracts—for a total upfront payment of \$24,250.

**THAT WHICH IS CLAIMED IS:**

- (Amended) A method of conducting business comprising the steps of:  
 establishing a computer-network based ~~futures~~-contract trading system electronically accessible by prospective traders;  
 selling, over said trading system, ~~futures~~-contract bundles, each contract bundle comprising at least two ~~futures~~-contracts;

subsequent to a sale of said ~~futures~~-contract bundles, accepting for resale over said trading system, any of said ~~futures~~-contract bundles;  
reselling, over said trading system, accepted ~~futures~~-contract bundles;  
settling said ~~futures~~-contract bundles;contracts; and  
assessing, for at least one of said ~~futures~~-contract bundle sale and said ~~futures~~-contract resale, a transaction fee therefor.

2. (Amended) The method of claim 1, wherein the step of establishing a computer-network based contract~~futures~~-trading system electronically accessible by prospective traders includes establishing a computer-network based contract~~futures~~-trading system electronically accessible by prospective traders via at least the internet.

3. (Amended) The method of claim 2, wherein the step of selling, over said trading system, ~~futures~~-contract bundles includes the step of providing a user interface that allows prospective traders to access said contract~~futures~~-trading system.

4. (Amended) The method of claim 3, wherein the step providing a user interface that allows prospective traders to access said contract~~futures~~-trading system includes providing a world-wide-web user interface.

5. (Amended) The method of claim 3, wherein said user interface allows any computer-network user to view information about contract bundles and ~~futures~~-contracts for sale on said trading system.

6. (Amended) The method of claim 3, wherein said user interface allows only predetermined computer-network users to view information about ~~futures~~-contract bundles and contracts for sale on said trading system.

7. (Amended) The method of claim 1, wherein the step of selling ~~futures~~ contract bundles, includes selling a ~~futures~~-contract bundle comprising at least two ~~futures~~ contracts, each of said at least two ~~futures~~-contracts corresponding to one of at least two future possible outcomes of a phenomenon at a time of maturity thereof, said ~~futures~~-contract

bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two ~~futures~~-contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that ~~risk-management~~-contract, each of said at least two ~~risk-management~~-contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that ~~risk-management~~ contract.

8. (Amended) The method of claim 7, further comprising the step of:  
receiving data from a prospective customer identifying a predetermined phenomenon for which a ~~futures~~-contract is desired, the phenomenon having at least two future possible outcomes at a time of maturity.

9. (Amended) The method of claim 8, wherein the step of selling ~~futures~~ contract bundles, includes selling a ~~futures~~-contract bundle comprising at least two ~~futures~~ contracts, each of said at least two ~~futures~~-contracts corresponding to one of said at least two future possible outcomes of said predetermined phenomenon at a time of maturity thereof.

10. (Amended) The method of claim 8, further comprising the step of:  
determining, prior to a sale of a ~~futures~~-contract bundle thereon, whether said predetermined phenomenon for which a ~~futures~~-contract is desired is suitable for the issuance of ~~futures~~-contracts thereon.

11. (Amended) The method of claim 7, wherein said phenomenon has a recurring regular occurrence and wherein said method further comprises the steps of:  
selling over said trading system, a plurality of ~~futures~~-contract bundles, each contract bundle comprising at least two ~~futures~~-contracts, at least one of said plurality of ~~futures~~ contract bundles having a time period from a sale thereof to an expiration thereof which partially overlaps the time period from a sale of another of said plurality of ~~futures~~-contract bundles until an expiration of said another of said plurality of ~~futures~~-contract bundles, said at least one of said plurality of ~~futures~~-contract bundles corresponding to a first periodic

occurrence of said phenomenon and said another of said plurality of ~~futures~~-contract bundles corresponding to a second periodic occurrence of said phenomenon.

12. (Amended) The method of claim 11, wherein for each one of said plurality of ~~futures~~-contract bundles, a corresponding expiration thereof corresponds to a ~~are sold at staggered time periods having a predetermined relationship to the~~ timing of a specific periodic occurrence of said phenomenon associated therewith.

13. (Amended) The method of claim 12, further comprising the step of:  
selling, over said trading system, a ~~futures~~-contract bundle associated with a specific periodic occurrence of said phenomenon at substantially the same time as an expiration of a ~~futures~~-contract bundle associated with another periodic occurrence of said phenomenon.

14. (Amended) The method of claim 1, wherein the step of selling ~~futures~~ contract bundles and the step of settling said ~~futures~~-contract-bundles are accomplished in a credit-risk free manner.

15. (Amended) The method of claim 1, wherein:  
the step of selling ~~futures~~-contract bundles comprises selling ~~futures~~-contract bundles on margin; and  
the step of selling ~~futures~~-contract bundles and the step of settling said ~~futures~~-contract bundles are accomplished in a credit-risk manner.

16. The method of claim 1, further comprising the step of accepting from a prospective trader indicia of the identity of at least one prospective counterparty.

17. (Amended) The method of claim 16, wherein the step of reselling, over said trading system, said ~~any of said at least two~~accepted ~~futures~~-contracts includes reselling, over said trading system, said ~~any of said at least two~~accepted ~~futures~~-contracts only to prospective traders having identities corresponding to said indicia.

18. (Amended) The method of claim 1, wherein the step of establishing a computer-network based ~~contract~~futures-trading system electronically accessible by prospective traders includes establishing a computer-network based ~~contract~~futures-trading system accessible only by predetermined groups of prospective traders.

19. The method of claim 18, wherein said predetermined groups of prospective traders are selected from the group consisting of predefined and prequalified prospective traders.

20. (Amended) The method of claim 1, further comprising the steps of:  
introducing a plurality of new futures-contracts to the market as a split of an existing ~~futures~~-contract, an aggregate liquidation value of the plurality of new futures-contracts equaling the liquidation value of the existing ~~futures~~-contract which was split.

21. (Amended) The method of claim 20, further comprising the steps of:  
concurrent with said step of introducing said plurality of new futures-contracts to the market as a split of an existing ~~futures~~-contract, retiring said existing ~~futures contracts~~-contract which was split.

22. (Amended) The method of claim 1, further comprising the step of:  
receiving at least two existing ~~futures~~-contracts prior to a maturity thereof; and  
introducing a new ~~futures~~-contract to the market as a combination of said at least two existing ~~futures~~-contracts, a liquidation value of the new ~~futures~~-contract equaling an aggregate of the liquidation value of said at least two existing ~~futures~~-contracts.

23. (Amended) The method of claim 22, further comprising the step of:  
soliciting, over said trading system, prospective traders for delivery of said at least two existing ~~futures~~-contracts, which together represent a ~~futures~~-contract bundle, prior to a maturity thereof.



24. (Amended) The method of claim 1, wherein said step of ~~accepting~~settling said ~~futures contracts for settlement thereof~~ includes ~~accepting~~settling said ~~futures contract bundles for settlement~~contracts at an expiration thereof.

25. (Amended) The method of claim 1, wherein said step of ~~accepting~~settling said ~~futures contracts for settlement thereof~~ includes accepting said ~~futures contract bundles for settlement~~redemption prior to an expiration thereof.

26. (Amended) The method of claim 1, further comprising the step of:  
providing a market authority for mediating any dispute related to said ~~futures~~ contracts.

27. (Amended) The method of claim 1, wherein the step of establishing a computer-network based ~~contract~~futures-trading system electronically accessible by prospective traders includes establishing a computer-network based ~~contract~~futures-trading system ~~electronically additionally~~ accessible by non-trading observers.

28. (Amended) In a computer network-based ~~contract~~futures-trading system, including a communications interface, a plurality of processing modules for formation, sale, resale and settlement of contracts and ~~futures contract~~ bundles, each of said ~~futures contract~~ bundles comprising at least two ~~futures~~ contracts, the improvement comprising:  
means for enabling market participants to trade contracts directly with other market participants, and not through third ~~parties, parties, wherein said traders are anonymous to each other.~~

29. (Amended) In a computer network-based ~~contract~~futures-trading system, including a communications interface, a plurality of processing modules for formation, sale, resale and settlement of contracts and ~~futures contract~~ bundles, each of said ~~futures contract~~ bundles comprising at least two ~~futures~~ contracts, the improvement comprising:

means for receiving input from a prospective trader defining a ~~hedge instrument~~contract bundle directed to a ~~phenomena~~ phenomenon having at least two future possible outcomes at a time of maturity of said ~~instrument~~contract bundle.

30. (Amended) In a computer-based ~~contract~~futures-trading system to enable the formation, sale, resale and settlement, and optionally split, of risk management contracts, the system comprising:

a communications interface for sending and receiving data;

processor apparatus for executing processing modules;

a first processing module for receiving data to define a desired contract for a predetermined phenomenon, the phenomenon having at least two future possible outcomes at a time of maturity;

a second processing module, responsive to said first processing module, for generating a specific ~~futures~~-contract bundle based on said received data, said contract bundle comprising at least two ~~risk-management~~-contracts, each of said at least two ~~risk-management~~ contracts corresponding to one of said at least two future possible outcomes of said phenomenon at the time of maturity, said ~~futures~~-contract bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two ~~risk-management~~ contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that ~~risk-management~~-contract, each of said at least two ~~risk management~~ contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that ~~risk-management~~-contract;

a third processing module for offering for sale and for selling said specific ~~futures~~ contract bundle to a trader;

a fourth processing module for accepting for resale from a trader and for reselling ~~risk management~~on behalf of said trader contracts previously sold as part of a contract bundle;

a fifth processing module for accepting ~~said futures contract bundles~~contracts for settlement thereof; and

a sixth processing module for assessing, for at least one of said ~~futures~~-contract bundle sale and said ~~futures~~-contract resale, a transaction fee therefor.

31. (Amended) The computer-based ~~contract~~futures-trading system of claim 30, wherein said communications interface includes at least the Internet.

32. (Cancelled)

33. (Cancelled)

34. (Cancelled)

35. (Amended) A method of providing risk hedging capability to prospective traders comprising the steps of:

receiving data from a prospective trader identifying a predetermined phenomenon for which a ~~futures~~-contract is desired, the phenomenon having at least two future possible outcomes at a time of maturity;

selling ~~futures~~-contract bundles, each contract bundle comprising at least two ~~futures~~ contracts, each of said at least two ~~futures~~-contracts corresponding to one of said at least two future possible outcomes of said phenomenon at a time of maturity thereof;

subsequent to a sale of said ~~futures~~-contract bundles, accepting for resale from a trader over said trading system, any of said ~~futures~~-contract-bundles;

reselling on behalf of said trader, over said trading system, accepted ~~futures~~-contract bundles at a then prevailing market price;

subsequent to a resale of said accepted ~~futures~~-contract-bundles, publishing said then prevailing market price;

settling said ~~futures~~-contract-bundles;contracts; and

assessing, for at least one of said ~~futures~~-contract bundle sale and said ~~futures~~-contract resale, a transaction fee therefor.

36. (Amended) In a computer-based ~~contract~~futures-trading system comprising: a user interface front end, said front end providing interface to at least a new instrument application, an order placement application, a bundle sale redemption and

expiration application, a clearing application, an administrative application, and a surveillance application;

an order management and processing system, said order management and processing system including a validation subsystem, an order routing subsystem, and an order matching subsystem;

a contract expiration management system for recording ownership of traded contracts, for notifying contract owners of the expiration thereof, and for communicating with a settlement bank directing the bank to transfer funds in accordance with the settlement value of said contracts; and

a surveillance system.

37. (Amended) A computer-based ~~contract~~contract~~future~~future-trading system in accordance with claim 36, wherein said administrative application includes:

means for undertaking limited inquiry into all market transactions;

means for suspending and ~~resume~~ resuming trading in particular contracts or the market as a whole;

means for suspending, resuming or terminating account privileges;

means for suspending contract payouts;

means for amending and overriding calculated settlement prices and redistributing funds; and

means for distributing announcements to market participants.

38. (Amended) A computer-based ~~contract~~contract~~future~~future-trading system in accordance with claim 37, wherein said surveillance system includes:

means for viewing pending bid and offer orders;

means for viewing the details of all transactions;

means for viewing all electronic bulletin board postings;

means for defining and tracking alerts for specific events including transaction patterns; and

means for investigating alerts.

39. (Amended) A computer-based ~~contract~~futures-trading system in accordance with claim 36, further comprising:

means for interfacing with a point of sale terminal that is adapted to receive an indicator of trader identity and a contract to be settled.

40. (Amended) A computer-based ~~contract~~futures-trading system of claim 39, further comprising:

at least one point of sale terminal communicatively connected to said means for interfacing with a point of sale terminal.

41. A method of conducting business comprising the steps of:

establishing a computer-network based coupons trading system electronically accessible by prospective traders;

selling, over said trading system, coupons;

reselling, over said trading system, at least a portion of said coupons;

settling said coupons; and

assessing, for at least one of said coupon sale and said coupon resale, a transaction fee therefor.

42. (Amended) The method of claim 41, wherein the step of establishing a computer-network based coupons trading system electronically accessible by prospective traders includes establishing a computer-network based coupons trading system electronically accessible by prospective traders via at least the ~~internet~~internet.

43. The method of claim 42, wherein the step of selling, over said trading system, coupons includes the step of providing an interface that allows prospective traders to access said coupons trading system.

44. (Amended) The method of claim 43, wherein the step providing a user interface that allows prospective traders to access said coupons trading system includes providing a world-wide-web user ~~interface~~interface.

45. The method of claim 43, wherein said user interface allows any computer-network user to view information about coupons for sale on said trading system.

46. The method of claim 43, wherein said user interface allows only predetermined computer-network users to view information about coupons for sale on said trading system.

47. The method of claim 41, further comprising the step of accepting said coupons for settlement thereof includes accepting said coupons for settlement at an expiration thereof.

48. The method of claim 47, further comprising the step of:  
redeeming the coupons through a web-based electronic interface.

49. The method of claim 41, wherein said step of accepting said coupons for settlement thereof includes accepting said coupons for settlement prior to an expiration thereof.

50. The method of claim 49, further comprising the step of:  
redeeming the coupons through a web-based electronic interface.

51. (Amended) The method of claim 41, further comprising the step of accepting said coupons for settlement ~~thereof includes accepting said coupons for settlement~~ on demand in a predesignated maturity period.

52. The method of claim 51, further comprising the step of:  
redeeming the coupons through a web-based electronic interface.

53. The method of claim 41, further comprising the step of:  
determining, prior to a sale of a coupon thereon, whether said predetermined phenomenon for which a coupon is desired is suitable for the issuance of coupons thereon.

54. (Amended) The method of claim 41, wherein said phenomenon has a regular recurring occurrence and wherein said method further comprises the steps of:

selling over said trading system, a coupon ~~associated with said phenomenon~~ having a time period from a sale thereof to an expiration thereof which partially overlaps a time period from a sale of another coupon ~~associated with said phenomenon~~ until the expiration of said another coupon.

55. (Amended) The method of claim ~~544~~, wherein for each one of a plurality of coupons are sold, a corresponding expiration thereof corresponds to a ~~at staggered time periods having a predetermined relationship to the timing of a specific periodic occurrence of~~ said phenomenon associated therewith.

56. The method of claim 55, further comprising the step of:

selling, over said trading system, coupons associated with a specific periodic occurrence of said phenomenon at substantially the same time as an expiration of coupons associated with another periodic occurrence of said phenomenon.

57. The method of claim 41, wherein the step of selling coupons and the step of settling said coupons are accomplished in a credit-risk free manner.

58. The method of claim 41, wherein:

the step of selling coupons comprises selling coupons on margin; and

the step of selling coupons and the step of settling said coupons are accomplished in a credit-risk manner.

59. The method of claim 41, further comprising the step of accepting from a prospective trader indicia of the identity of at least one prospective counterparty.

60. (Amended) The method of claim 59, wherein the step of reselling, over said trading system, said any of said ~~at least two~~ coupons includes reselling, over said trading system, said any of said ~~at least two~~ coupons only to prospective traders having identities corresponding to said indicia.

61. The method of claim 41, wherein the step of establishing a computer-network based coupons trading system electronically accessible by prospective traders includes establishing a computer-network based coupons trading system accessible only by predetermined groups of prospective traders.

62. The method of claim 41, wherein said predetermined groups of prospective traders are selected from the group consisting of predefined and prequalified prospective traders.

63. The method of claim 41, further comprising the step of:  
providing a promoter for mediating any dispute related to said coupons.

64. The method of claim 41, further comprising the step of:  
interfacing with a point of sale terminal to receive an indicator of trader identity and a coupon to be settled.

65. (Amended) In a computer-network based ~~coupons~~ coupon trading system, comprising:

computer means;  
means for selling, over said trading system, coupons;  
means for reselling, over said trading system, said coupons;  
means for settling said coupons; and  
means for assessing, for at least one of said coupon sale and said coupon resale, a transaction fee therefor.

66. (Amended) In a computer-network based ~~coupons~~ coupon trading system in accordance with claim 65, further comprising:

means for interfacing with a point of sale terminal that is adapted to receive an indicator of trader identity and a coupon to be settled;

wherein said means for settling said coupons is responsive to a communication from a point of sale terminal received via said means for interfacing.



67. (Amended) A computer-network based ~~coupon~~futures-trading system of claim 66, further comprising:

at least one point of sale terminal communicatively connected to means for interfacing with a point of sale terminal.

68. (Amended) A computer-network based ~~coupon~~futures-trading system of claim 65, further comprising:

means for allowing a computer-network user to view information about coupons for sale on said trading system.

69. (Amended) A computer-network based ~~coupon~~futures-trading system of claim 68, further comprising:

means for allowing only predetermined computer-network users to view information about coupons for sale on said trading system.

70. (Amended) A method of conducting business comprising the steps of:  
establishing a computer-network based restricted clientele contracts trading system electronically accessible by prospective qualified traders;

selling, over said trading system, at least one restricted clientele contract bundle;  
reselling, over said trading system, at least one restricted clientele contract;  
settling, over said trading system, at least one restricted clientele contract; and  
assessing, for at least one of said restricted clientele contract bundle sale and said restricted clientele contract resale, a transaction fee therefor.

71. The method of claim 70, wherein the step of establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders includes establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders via at least the internet.

72. (Amended) The method of claim 71, wherein the step of selling, over said trading system, at least one restricted clientele contract bundle includes the step of providing an interface that allows prospective qualified traders to access said restricted clientele contract trading system.

73. The method of claim 72, wherein the step providing a user interface that allows prospective qualified traders to access said restricted clientele contract trading system includes providing a world-wide-web user interface.

74. The method of claim 72, wherein said user interface allows any computer-network user to view information about restricted clientele contracts for sale on said trading system.

75. (Amended) The method of claim 72, wherein said user interface allows only predetermined qualified computer-network users to view information about restricted clientele contract bundles and restricted clientele contracts for sale on said trading system.

76. (Amended) The method of claim 70, ~~further comprising the step of accepting said restricted clientele contract for settlement thereof~~ includes accepting said restricted clientele contract for settlement wherein the step of settling said restricted clientele contract includes settling said restricted clientele contract at an expiration thereof.

77. (Amended) The method of claim 76, further comprising the step of: ~~redeeming~~ settling the restricted clientele contract through a web-based electronic interface.

78. (Amended) The method of claim 70, wherein said step of ~~accepting said restricted clientele contract for settlement thereof~~ includes accepting said restricted clientele contract for settlement settling said restricted clientele contract includes redeeming said restricted clientele contract bundle prior to an expiration thereof.

79. (Amended) The method of claim 78, further comprising the step of:  
redeeming said restricted clientele contract ~~redeeming the restricted clientele contract~~bundle through a web-based electronic interface.

80. (Amended) The method of claim 70, further comprising the step of  
~~accepting said restricted clientele contract~~ settling said restricted clientele contract ~~for settlement thereof~~ includes accepting said restricted clientele contract for settlement on demand in a predesignated maturity period.

81. (Amended) The method of claim 80, further comprising the step of:  
~~redeeming~~ settling the restricted clientele contract through a web-based electronic interface.

82. The method of claim 70, further comprising the step of:  
determining, prior to a sale of a restricted clientele contract thereon, whether said predetermined object for payment for which a restricted clientele contract is desired is suitable for the issuance of restricted clientele contract thereon.

83. (Amended) The method of claim 70, wherein said phenomenon has a recurring regular occurrence and wherein said method further comprises the steps of:  
selling over said trading system, a restricted clientele contract bundle associated with ~~said~~ a phenomenon having a time period from a sale thereof to an expiration thereof which partially overlaps a time period from a sale of another restricted clientele contract bundle associated with said phenomenon until the expiration of said another contract bundle.

84. (Amended) The method of claim ~~70,83~~, wherein for each one of a plurality of restricted clientele contract bundles ~~are sold~~, a corresponding expiration thereof corresponds to a ~~at staggered time periods having a predetermined relationship to the timing of~~ a specific periodic occurrence of said phenomenon associated therewith.

85. The method of claim 84, further comprising the step of:

selling, over said trading system, a restricted clientele contract associated with a specific periodic occurrence of said phenomenon at substantially the same time as an expiration of a restricted clientele contract associated with another periodic occurrence of said phenomenon.

86. (Amended) The method of claim 70, wherein the step of selling a restricted clientele contract bundle and the step of settling said restricted clientele contract are accomplished in a credit-risk free manner.

87. (Amended) The method of claim 70, wherein:

the step of selling a restricted clientele contract bundle comprises selling a restricted clientele contract bundle on margin; and

the step of selling a restricted clientele contract bundle and the step of settling said restricted clientele contract are accomplished in a credit-risk manner.

88. The method of claim 70, further comprising the step of accepting from a prospective qualified trader indicia of the identity of at least one prospective counterparty.

89. The method of claim 88, wherein the step of reselling, over said trading system, a restricted clientele contract includes reselling, over said trading system, said restricted clientele contract only to prospective qualified traders having identities corresponding to said indicia.

90. The method of claim 70, wherein the step of establishing a computer-network based restricted clientele contract trading system electronically accessible by prospective qualified traders includes establishing a computer-network based restricted clientele contract trading system accessible only by predetermined groups of prospective qualified traders.

91. The method of claim 70, wherein said predetermined groups of prospective qualified traders are selected from the group consisting of predefined and prequalified prospective qualified traders.

92. The method of claim 70, further providing the step of:  
providing a promoter for mediating any dispute related to said restricted clientele contract.

93. (Amended) In a computer-network based restricted clientele ~~contracts~~contract trading system electronically accessible by prospective qualified traders, comprising:  
means for selling, over said trading system, at least one restricted clientele contract bundle;  
means for reselling, over said trading system, at least one restricted clientele contract;  
means for settling, over said trading system, at least one restricted clientele contract;  
and  
means for assessing, for at least one of said restricted clientele contract bundle sale and said restricted clientele contract resale, a transaction fee therefor.

94. (Amended) A computer-network based restricted clientele ~~contracts~~contract trading system in accordance with claim 93, further comprising means for allowing a computer-network user to view information about restricted clientele contract bundles and restricted clientele contracts for sale on said trading system.

95. (Amended) A computer-network based restricted clientele ~~contracts~~contract trading system in accordance with claim 93, further comprising means for ~~redeeming~~settling the restricted clientele contract through a web-based electronic interface.

96. (New) A computer network-based contract trading system of claim 28, wherein said traders are anonymous to each other.

97. (New) A method in accordance with claim 35, wherein the step of settling said contracts includes accepting said contract bundles for redemption prior to an expiration thereof.

98. (New) A method in accordance with claim 35, wherein the step of settling said contracts includes settling said contracts at an expiration thereof.

99. (New) In a computer-based contract trading system for the formation, sale, resale and settlement, and optionally split, of contracts, the system comprising:

- a communications interface for sending and receiving data, including trading instructions from traders;
- a processor system for executing processing modules;
- a first processing module for receiving data to define a desired contract for a predetermined phenomenon, the phenomenon having at least two future possible outcomes at a time of maturity;
- a second processing module, responsive to said first processing module, for defining a contract bundle based on said received data, said contract bundle including at least two contracts, each of said at least two contracts corresponding to one of said at least two future possible outcomes of said phenomenon at the time of maturity, said contract bundle being defined to pay an aggregate fixed sum at maturity, each of said at least two contracts paying said fixed sum at maturity upon the happening of the future possible outcome of said phenomenon associated with that contract, each of said at least two risk management contracts paying a zero sum at maturity upon the non-happening of the future possible outcome of said phenomenon associated with that contract;
- a third processing module for offering for sale and for selling a plurality of said contract bundles to traders;
- a fourth processing module for accepting for resale from a trader a contract previously sold as part of one of said plurality of contract bundles and for offering for resell and for reselling on behalf of said trader said contract;
- a fifth processing module for assessing, for at least one of said contract bundle sale and said contract resale, a transaction fee therefor; and
- a sixth processing module for settling, at maturity thereof, contracts, said sixth processing module paying said fixed sum at maturity for contracts corresponding to an actual outcome of said phenomenon associated with that contract.

100. (New) A computer-based contract trading system in accordance with claim 99, further comprising:

a seventh processing module for maintaining and updating account information about traders, said account information including records of contracts held by each trader, transaction fees assessed, and account balance.

101. (New) A computer-based contract trading system in accordance with claim 100, wherein said seventh processing module is adapted to access said account information maintained about said traders and to automatically settle, at maturity thereof, any contract held by a trader which corresponds to an actual outcome of said phenomenon associated with that contract and to update said trader's account information in accordance with said settlement.

102. (New) A computer-based contract trading system in accordance with claim 100, further comprising:

an eighth processing module for accepting contract bundles for redemption prior to maturity thereof and for paying said fixed sum for accepted contract bundles.

103. (New) The method of claim 41, further comprising the step of accepting said coupons for settlement upon demand of a market authority prior to a predesignated maturity period thereof.